



**For ASX Release**  
27 November 2019

## **Annual General Meeting 11am Wednesday 27 November 2019**

### **Chair & CEO Address**

Thank you for your attendance at the Gooroo Ventures AGM this morning.

Over the past 12 months the Gooroo Board and Management team has been focused on building a technology company whose objective is to deliver long-term, sustainable growth prospects and returns for all shareholders.

To start, I would like to spend a moment discussing the proposed merger with AIS Anywhere Inc. ("AIS"), which was an opportunity introduced to us in early April this year. After numerous discussions, the Gooroo Board believed it presented an excellent opportunity for the Company and for Gooroo shareholders; offering a strong revenue profile, profitability, USA market entry, capability and positive cashflows.

During September to October 2019 the Company undertook legal and financial due diligence on AIS, and prepared draft transaction materials as it awaited ASX advice. On Thursday 31 October 2019, ASX formally advised Gooroo that there was a significant likelihood the ASX would exercise its discretion under listing rule 1.19 to decline Gooroo's application for readmission if it chose to proceed with the acquisition of the AIS business. Following due diligence the Gooroo Board has determined not to proceed with the AIS merger.

The discontinuance has had a material financial and operational impact on Gooroo.

The Company received net proceeds so far of approximately \$570,000 (\$604,766 gross) from the \$1.5m Convertible Note raising. As tranche 2 payments were tied to ASX's approval of the AIS acquisition, the remaining balance of funds, approximately \$900,000, is at risk of not being paid by investors. We are in the process of working with some of the Convertible Noteholders regarding their redemption, conversion and further investment options pursuant to the Convertible Note Deed they entered in to during August 2019. When this is completed, Noteholders will be issued with their certificate, pursuant to ASX Listing Rule 7.3, on or before 18 December 2019.

Operationally, on receipt of the notice by the ASX, we have taken immediate action to reduce operating expenses and negotiate creditor payment terms so that we can ensure payments are made as and when they fall due. The Company has incurred costs circa \$375,000 associated with the transaction and matters subsequent.

As you may have read before, we also remain operationally focused on building a partner network to drive new leads and revenue for Gooroo, and to directly support the implementation and ongoing use of our technology within customers. Over the past 12 months as we work with our existing and new partners, we have better understood what our partners need to get them ready to sell and deliver Gooroo solutions. While this has taken longer than expected we should expect to see returns from this effort throughout this next year. For example, one of our major partners has three customers using Gooroo with others anticipated to be added over the coming months, including increased volumes. One of these programs is represents an innovative industry recruitment, training and deployment model that focuses on ensuring individual alignment to a career and job.



The team has also worked diligently to align our technology and products more toward partners and their needs. While this is something we're continuing to work on, we should in time expect significantly higher lead flow.

In addition to our partner strategy, earlier this year we made a clear decision to focus on conducting targeted proof-of-concept projects that seek to quantify the tangible benefits of using Gooroo technology, and to demonstrate commercial applications of the platform. The Board acknowledged that in this pursuit, we would focus on building proof points, rather than chase shorter-term revenue. We now have a number of projects currently running and others planned to kick off over the coming weeks. Four of these include:

- A project in the telecommunications sector that over the past four months has demonstrated conversion uplift within a specific segment of their customer database. In addition, we have been able to strategically highlight why behaviours and results are most likely being experienced across other segments. This has demonstrated that Gooroo can be used to inform and influence customer acquisition strategies.
- Another project in the government employment sector has recently expanded its reach into a new category focusing on people with disabilities. The long-term unemployed and disability employment sector represents a very large opportunity if we can demonstrate results.
- A new pilot has recently started with a large Australian wealth management business where our technology is being trialled to conduct a diagnostic. It is expected that this will lead to strategies that the client will implement (supported by Gooroo technology) to improve performance and engagement across two teams, before a broader company rollout. The ability to influence the performance and responsiveness of teams, and improve employee engagement, are areas of growth and investment globally.
- A project with a research company where we have been able to clearly demonstrate, from across the Australian population, three specific segments that tell us how people will think and make decisions on the subject matter relevant to the research being conducted. The opportunity is for Gooroo technology to become a core insight to inform commercial and government communication strategies.

The Company's product strategy remains focused on building long-term value to many, as opposed to shorter-term value to few. It's hard for a business of any size to educate a market, and at Gooroo's size and scale, we have found this process time consuming and costly. Gooroo is focused on introducing new capability to market and is going after a much bigger prize where very few tools exist. This typically means that while results will be slower at the start, they are more likely to be stronger and more sustainable through the medium to long term.

As we have previously announced, the Gooroo Mobile App move into Beta testing on 21 November 2019. This Mobile App leverages our unique science and has been designed to focus on improving engagement between people – helping them work better together. Individuals will be able to connect with others and learn more about how they prefer to work and make decisions. This App will provide a better perspective when starting a relationship with someone, and tips to work together to achieve quicker, and more effective outcomes. With business increasingly focused on their people, and building more collaborative and engaged workplaces, we believe our new App, coupled with our existing platform, will offer exciting new capabilities for our partners and clients. We have been very encouraged by the



early feedback we are receiving. We're also expecting the App will become a strong lead generator from Q2 CY20 as the volume of downloads and users begin to grow and the App experience is more refined. Should investors wish to learn more, they can visit <https://www.gooroox.com/gooroo-app-register-interest>.

The Company acknowledges that these programs take time and that we are unable to meet the funding needs of the operations through organic growth over the next 12 months. With this in mind and with consideration to the investor market's response to the proposed AIS merger, we have made solid advancements in discussions regarding the provision of funding and also with future acquisition targets.

As we progress down this path, a key criteria we are using to evaluate future M&A transactions are whether the opportunity has strong alignment with Gooroo's vision, product and growth strategy. Preferably, it also represents a current or future application that integrates with Gooroo technology.

We expect to be in a position to update shareholders shortly.

Moving forward, we also intend to complete further capital raising activities to support our commercialisation program, working capital requirements and future M&A opportunities to fuel accelerated growth.

On a final note, while Gooroo has not yet been able to make the speed of progress we all would have liked, your Board has made a number of important strategic decisions this year to focus our market positioning, product development and commercial validation efforts. The Board remains confident in the opportunities that will be presented to the Company over the coming 12-24 months.

We sincerely appreciate the continued patience and support of investors and our loyal shareholders.

Mr Greg Muller  
Managing Director & CEO

Mr Tom Brown  
Non-Executive Chair